

## **JULY 8, 2020 MEETING MINUTES REGISTRY OF ELECTION FINANCE**

The Registry of Election Finance Board (“the Board”) of the Bureau of Ethics and Campaign Finance (“the Bureau”) met at 10:00 AM on Wednesday, July 8, 2020, at the Embassy Suites Junior Ballroom, 820 Crescent Centre Drive, Franklin, Tennessee, 37067.

Presiding over the meeting was Chairperson Tom Lawless. Attending the meeting were board members Paige Burcham-Dennis, William (Paz) Haynes III, David Golden, and Tom Morton. Member Henry Fincher participated in the meeting remotely via telephone but had to depart the meeting early. Executive Director Bill Young, Assistant Director Lance Frizzell, General Counsel Lauren Topping, Chief of Staff Janet Williams, and Director of Audit Jay Moeck also attended the meeting.

### ***Approval of Meeting Minutes***

On motion by Member Morton and seconded by Member Haynes, the Board voted unanimously to approve the minutes from the June 10, 2020 meeting without discussion. Additionally, on motion by Member Golden and second by Member Burcham-Dennis, the Board voted unanimously to approve the revised meeting minutes from the March 11, 2020 meeting minutes without discussion.

On motion by Member Golden, seconded by more than one member, the Board voted unanimously, by voice vote, to allow for the remaining items on the agenda to be taken out of order as needed. The remaining items on the agenda were taken up out of order; however, these minutes will continue to reflect the scheduled order of events according to the published agenda.

After a short discussion with Executive Director Young at the request of the Chair, Member Bercham-Dennis made a motion to defer the Board’s regularly scheduled August meeting until the regularly scheduled meeting for the month of September, to be held on September 9, 2020. The motion was seconded by several members and was unanimously approved by voice vote.

### ***Show Cause Hearing in the matter of CAS-PAC, Case No. 20-01***

At the request of the Chair, Director of Audit Moeck provided a short summary of the findings presented in the relevant audit report. The Chair and Members also confirmed with Executive Director Young that, at its prior meeting, the Board had elected to take no action with respect to Finding 1 of the audit report but had voted to issue a show cause notice with respect to Findings 2-5 of the audit report. Mr. Moeck also confirmed to the Board that, as outlined in the Audit Addendum, Representative Casada had made all reporting corrections that had been previously discussed at the Board’s prior June 10 meeting, and that all monies required to be moved to the appropriate accounts had been reallocated. Mr. Moeck also noted that the provided Audit Addendum listed and corrected a few minor errors in the prior audit report.

The members briefly questioned Mr. Moeck concerning the contents of the audit report and the audit addendum. Representative Casada made a short statement concerning the CAS-PAC audit findings and answered questions from Board members.

After a short discussion, Member Burcham-Dennis made a motion to take no action on Finding 2. This motion was seconded by Member Morton and approved unanimously by roll call vote. Member Fincher was not present for this vote.

After further discussion among the members, Member Haynes moved to take no action on Findings 3, 4, & 6. This motion was seconded by Member Bercham-Dennis and approved unanimously by voice vote. Member Fincher was not present for this vote. Member Haynes then moved to amend his previous motion because there was no Finding 6. This amendment was seconded by Member Golden. The amendment was unanimously approved by voice vote. Member Fincher was not present for this vote.

After further discussion, Member Morton moved to impose a total civil penalty of \$10,500, representing seven individual civil penalties of \$1500 based on each incorrect disclosure report (total of 7) filed with the Bureau of Ethics and Campaign Finance. This motion was seconded by Member Bercham-Dennis. As a part of the discussion of this matter, the Registry Board distinguished this situation, where the records retained by CAS-PAC were maintained but the reported transactions failed to contain sufficient detail to meet the statutory standard, from more egregious situations where no records were maintained, in determining the amount of the civil penalties to be assessed. The motion was unanimously approved by roll call vote. Member Fincher was not present for this vote.

### ***Confirmation of settlement of Representative Joe Towns, Jr. civil penalties***

Executive Director Young presented a short explanation of the Towns settlement matter pending before the Board and the background giving rise to the need for further action by the Board on this matter. The Chair posed several questions regarding this matter to Executive Director Young. At the conclusion of these questions, the Chair recognized Member Fincher, who provided comments in support of the action before the Board, his opinion of the process required to cure the alleged violation by the Board of the Tennessee Open Meetings Act and the merits of the decision reached by the Board when this matter was originally presented by the Executive Director to members for a vote by email to determine whether to accept or reject the settlement proposed by counsel for Representative Towns.

Member Fincher moved to 1) reconsider the action previously taken by the Board in this matter; 2) debate the sufficiency of the settlement achieved previously, and 3) to reaffirm the prior result and/or accept the settlement proposed by counsel for Representative Towns. After further discussion, Member Haynes moved to amend Mr. Fincher's previous motion and moved to reconsider and confirm the acceptance of the settlement agreement proposed by counsel for Representative Towns. This motion was seconded by Member Golden. The motion was approved by roll call vote, with Members Fincher, Golden, Bercham-Dennis, and Haynes in support and Morton and Lawless opposed.

Following the consideration of this matter, Member Fincher (participating remotely by phone) left the meeting. Member Golden confirmed that a quorum remained.

***Discussion of review by audit staff of certain issues relating to Representative Staples***

Representative Staples participated in the meeting remotely via telephone. After some discussion, the members agreed that the issue before the Board was whether to issue a show cause notice to Representative Staples, and, if not, under what conditions. Representative Staples made a short statement and expressed his desire to make payments to correct the identified improper expenditures.

After further discussion, the Chair moved to issue a show cause notice, to be heard by the Board at its September meeting. This motion was seconded by Member Bercham-Dennis. The motion was unanimously approved by roll call vote. Member Fincher was not present for this vote.

***Consideration of Durham Final Order***

At the request of the Chair, Executive Director Young confirmed to the Board that the proposed final order presented to the Board by the Executive Director reflects the Board's original decision in this matter and reaffirms the Board's original civil penalties, with the only exception being as to the Board's position relating to the required reporting of interest earned by the campaign account, which was reversed and the assessed civil penalties were reduced by \$5000.

After some discussion by the Members, Member Morton moved to approve the final order as presented by the Bureau staff. This motion was seconded by Member Golden and unanimously approved by roll call vote. Member Fincher was not present for this vote.

***Persons Subject to Possible Issuance of Show Cause Notice***

The Chair deferred the matter of Angela Callis to the September meeting. A discussion also occurred relating to the Tennessee Federation of Democratic Women, which submitted a letter ahead of the meeting requesting reconsideration of a prior penalty and to defer consideration of the matters currently before the Board until such time as the Board evaluated and decided the request for reconsideration. The Board unanimously determined that a show cause notice should be issued on these matters now. Member Fincher was present for the consideration of these matters.

Member Morton moved to take no action on the following matters:

Doyle Clark

Duane Dominy

Dallas Sivley

1<sup>st</sup> TN-PAC (1 of 2)

AMG-PAC

D&S Political Action Committee, Inc.

Conservatives for Safe Tennesseans (2 of 2)

Hickman County Democratic Party

Jobs PAC  
Knox County Democratic Women  
TE PAC-TN  
Tennessee Academy of Pediatric Dentistry  
Tennessee Black Caucus  
Tennessee Legislative Sportsmen's Caucus  
Tennessee Oil Marketers PAC  
Tennessee Society of Pathologists PAC  
Tennessee Tomorrow PAC

The motion was seconded by Member Bercham-Dennis and approved unanimously by voice vote. Members Haynes and Lawless recused from voting on the matter involving 1<sup>st</sup> TN-PAC.

Member Morton moved to issue a Show Cause Notice in the following matters:

Mary Alice Carfi  
John DeBerry, Jr.  
Charles E. (Pete) Drew  
Linda Elam  
JoAnne Favors  
Justin Ford  
Rachel Mackey  
1<sup>st</sup> TN-PAC (2 of 2)  
Conservation Action PAC  
Conservation Action PAC  
Downtowners' Committee for Action  
Conservatives for Safe Tennesseans (1 of 2)  
Empower Women PAC  
Friends of Police PAC  
Invictus PAC  
Knoxville Chamber PAC  
Knoxville Chamber PAC  
Meigs County Democratic Party

Memphis AFL-CIO Labor Council  
Memphis Building Trades Political Fund  
Milton Action Fund  
Patient Access to Addiction Treatment (PATAT)  
Tennessee Federation of Democratic Women  
Tennessee Federation of Democratic Women  
Tennessee Hospitality PAC  
Tennessee S.T.E.M. Education Caucus  
Tennessee Treatment & Recovery Coalition PAC  
The Maynard Group PAC  
West TN Cream of the Crop  
Women for All of Tennessee

This motion was seconded by Member Fincher and approved unanimously by voice vote. Members Haynes and Lawless recused from voting on the matter involving 1<sup>st</sup> TN-PAC.

### ***Sworn Complaint***

A short background explanation of the complaint filed relating to Dr. Josh Kraus was presented by Executive Director Young. After discussion of the complaint among members, Member Morton moved to take no action on the complaint. This motion was seconded by Member Haynes. The motion was unanimously approved by voice vote. Member Fincher was not present for this vote.

### ***Review of Thelma Harper Campaign Finance Disclosure Statements (Requested by the Registry)***

A short background explanation of the matter was presented to the Board by Assistant Director Frizzel. The Chair moved to defer the matter to a later date. The motion was seconded by Member Bercham-Dennis and unanimously approved by voice vote. Member Fincher was not present for this vote.

### ***Other Business***

None.

The Chair moved to adjourn until September. The motion was seconded by several members and unanimously approved by voice vote.